BTC/USD

04:18	Low	High	Marketcap
$9,636.96	$9,316.51	$9,887.13	$162.69B

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Top 10 Countries in Which Bitcoin is Banned

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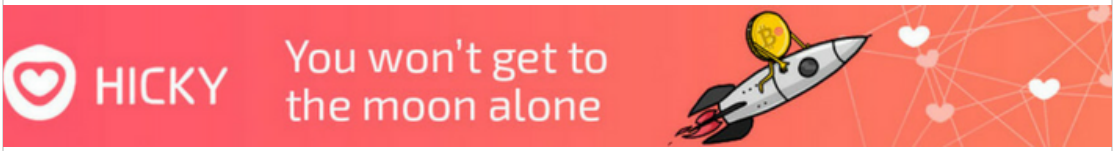

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Countries around the world have a wide ranging view of the digital currency bitcoin or a "virtual currency." Western superpowers like the United States and United Kingdom have shown a positive attitude towards the new technology. Some countries like Canada and Australia are still deliberating on what to do about Bitcoin, legally. And the many others have already made their decision against digital currency as a whole, and bitcoin, in particular, so here we'll list the ten places you'll find the most trouble using bitcoin. Keep in mind not recognizing or supporting the use of bitcoin and banning bitcoin are two different things. This article focuses on those who ban bitcoin legally, or in practice.

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Reasons why run the gamut, from fear and ignorance, to protectionism of their national currency, to building a new currency in bitcoin's image. The list, in general, is not much above ten, but that is subject to change, as many countries have not made an official decision for or against bitcoin. Some are banned by the country's Central Banking system, some are banned by the nation's government, and in many countries the Central Bank and national government act as one and the same. These are the Top 10 bannings of bitcoin, via official statement banning the currency nationally, or in practice, in alphabetical order.

Top 10 Places Where Bitcoin is Banned

Bangladesh

In a statement the Central Bank of Bangladesh cited concerns over bitcoin's lack of "a central payment system" which could lead to people being "financially harmed". It invoked the provisions of the Foreign Currency Control Act of 1947 and the Money Laundering Control Act of 2012. Then, added that trading in bitcoin and other digital currencies could lead to a punishment of up to 12 years in prison.

> *"Bitcoin is not a legal tender of any country. Any transaction through Bitcoin or any other crypto-currency is a punishable offense," the bank said in an official statement last September.*

The ban comes as an enforcement of sections 4,5 and 8 of the 1947 law that regulate trading in foreign currency without authorization or general permission from the central bank. Section 5 severely restricts payments did outside Bangladesh, which affect bitcoin payments.

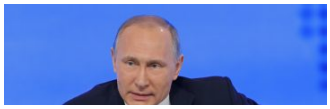
Bolivia

The central bank of Bolivia, El Banco Central de Bolivia said in a statement:

> *"It is illegal to use any currency that is not issued and controlled by a government or an authorized entity."*

China

It is a common misconception that bitcoin and digital currency are totally banned and illegal in China, but China has become the world's largest bitcoin trading market. The bitcoin ban is strictly on banks, as the central banking authority, The People's Bank of China is owned 70% by



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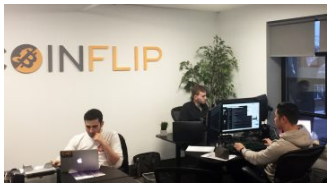

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the Chinese government. Banking institutions and employees are banned from engaging in bitcoin business through banking, as well as servicing or doing business with the bitcoin industry. Trading or mining in bitcoin is not illegal for common citizens.

Ecuador

The ban by Ecuador makes the most sense of any ban, as they are building a national electronic cash system, so they feel the need to protect their new currency from something clearly superior. A decentralized currency of finite production that cannot be manipulated by governments or banks might dim the lights on their new program in the eyes of the public, which offers none of those benefits.

Iceland

As of March 19, 2014 the Central Bank of Iceland issued a statement explaining the legal status of digital currency in Iceland. Purchasing them may violate the Icelandic Foreign Exchange Act, which specifies that Icelandic currency cannot leave the country. A nebulous designation, but it sounds like it is banned, in effect.

India

BTCXIndia was the first bitcoin exchange designed and built in India. While following KYC and AML guidelines, and allowing instant INR (Indian rupee) deposits and withdrawals, BTCXIndia was forced to close by their bank, which no longer services bitcoin businesses. The reasons are unknown, whether it is based on a perceived risk or just a simple ban by management, but the issue is widespread in India.

> *"We have today been informed by our bank that they will no longer serve bitcoin businesses," the notice stated. "We have investigated the possibility to operate through other banks, but it seems this is a general policy in India as of today."*

Russia

Even with the recent legal victory in Ural recently, setting a legal precedent to lift the banning of websites related to bitcoin and other digital currencies, bitcoin is banned in practice, if not officially legal yet. With the Russian ruble rebounding, but still down over 30% from January 2014, banks and the national government aren't looking kindly on those who are investing in other currencies, digital or not.

Gold purchases are frowned upon in Russia, so proceed with caution.

Sweden

Bitcoin has suffered a small banning in the buying and selling of scrap metal and "waste products". This sets a bad precedent of government interference for the future, but so far the ban is restricted to this industry by all accounts.

Thailand

According to news reports, the Bank of Thailand ruled bitcoin illegal on July 29, 2013. However, it appears "it issued a preliminary ruling that using bitcoins . . . was illegal because of a lack of existing laws" in the case of a currency exchange license application by Bitcoin Co. Ltd.

Bitcoin businesses have been able to conduct business and get licensing, but the ban technically is still there, if not in practice currently.

Vietnam

Back in February of 2014, Vietnam banned the virtual currency bitcoin for use by credit institutions, citing its ease of use for criminal purposes and its high risk for investors.

> *"Transaction by bitcoin is highly anonymous so bitcoin can become a tool for crimes like money laundering, drug trafficking, tax evasion, illegal payment," the central bank said in a statement*

While not officially banned for personal use but discouraged. This seems to be the most common thread in nation-states throughout the world. Trust the central bank's currency and do not trust algorithmic currency. If you trust your country's central bank to look after your economic interests, you're golden. If not, at least you have a choice. Your central bank's national currency, or the world's first global, decentralized, mathematical currency.

Can these countries come around to a more progressive view of bitcoin? What country may join this list? Share above and comment below.

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